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## INTRODUCTION

Article X, Section 20, the Taxpayer's Bill of Rights (TABOR), was added to the Colorado Constitution as a result of the passage of Amendment 1 in the November, 1992 general election. One of the things TABOR does is limit increases in the state's revenue to the annual inflation rate plus the percentage change in state population, exempting certain revenues such as federal funds, property sales, donations, and enterprise activities.

Prior to the passage of the TABOR Amendment, statute required appropriation of General Fund and unrestricted operating cash to the Higher Education Governing Boards in a single line item. The General Fund portion of this appropriation was fixed in each year's Long Bill and could only be changed by supplemental statute. The Cash Funds portion of this appropriation was identified by footnote to be made up of "...tuition, indirect cost recoveries, and other sources that have been traditionally appropriated as cash funds to Institutions of Higher Education." The amount of Cash Funds which appeared in the Long Bill was not controlling; should an institution generate more cash funds than this amount, their spending authority could be increased upon action by the Governing Board.

With passage of the TABOR Amendment, this changed. The state's expenditures are capped at an annual fiscal spending limit which is based upon the revenue generation defined in the Article; specifically, all revenues are within the controlled spending limit unless specifically exempted in the constitution or subsequent legislation or voter referendum. Higher Education's General Fund and tuition revenues are not specifically exempted and therefore must now be controlled by the legislature via the Long Bill. The advisory nature of the Cash Funds amount in that statute is gone; it is now an absolute ceiling on earnings and expenditures which may be changed only by supplemental statute. Further, a distinction has been made between tuition revenue and non-tuition revenue. The Cash Fund amount appropriated on the General Fund and Tuition Revenue line item in the Long Bill may come from tuition only.

Those unrestricted and restricted current and non-current revenues generated by sources other than tuition which are not exempted from the state's annual fiscal spending limit are appropriated in a separate Long Bill line item called "Other Than Tuition Revenue." These include such things as incidental income generated from educational activities, instructional fees, conference fees, interest income on funds not exempted from the spending limit, gain or loss on investments of funds not exempted from the spending limit, rents, local grants and contracts, nonexempt transfers-in, and miscellaneous income. Again, the amount appropriated on this line is an absolute ceiling on expenditures; it may be changed only by supplemental statute.

Prior to passage of the TABOR Amendment, the auxiliary and self/funded portion of Higher Education's activity was not appropriated by the legislature. However, the constitution now allows exemptions from the state's fiscal spending limitation only if the revenues are generated by an "enterprise", constitutionally defined as a facility or activity that has authority to generate revenue bonds and gets not more than 10% of its revenues from state grants.

CRS 23-5-101.5 (HB93-1355) establishes a process by which Governing Boards may certify their auxiliary and self/funded facilities and activities as "enterprises" followed by an audit review and subsequent legislation. All auxiliary and self/funded revenues were considered within the fiscal spending

## INTRODUCTION (continued)

limit, i.e. nonexempt, in FY94 until certified as an enterprise by the ruling Governing Board. At that point they became exempt for FY94. Those passed by the audit review and exempted by statute in the FY94 General Session, remain exempt for future years; those not became nonexempt in FY95 and eligible for the process again. This process may be repeated as auxiliary activity becomes eligible for exemption and/or as new auxiliaries are created by the institutions of Higher Education.

Auxiliary activities not designated as enterprises per this statutory process are nonexempt activities appropriated in a separate Long Bill line item titled "Auxiliary Enterprises".

Subsequent legislation, 23-1-104, again changed the nature of the Long Bill appropriation by stating that the separate Long Bill lines could be combined for spending authority purposes thus eliminating the need to distinguish them on the state's accounting system. Therefore, effective July 1, 1996, the appropriated Long Bill line items "Other Than Tuition Revenue" and "Auxiliary Enterprises" were combined with the "General Fund and Tuition" line item; they are collectively identified on COFRS by the Appropriation Code "LBA".

These TABOR Guidelines are issued by the Higher Education Governing Boards' Financial Advisory Committee to implement changes in accounting within the higher education discreet funds on the state's accounting system to accommodate the changes resulting from passage of the TABOR Amendment.

### A.1 FINANCIAL STATEMENTS

Passage of the TABOR Amendment drastically impacted the way in which the State, and Higher Education, must budget and record its activities. Significant change occurred in the accounting treatment and reporting of revenues and expenditures on the State's books. These Guidelines address those changes and ongoing reporting requirements .

Initially, TABOR reporting resulted in no change to Higher Education's financial reporting to the State for its financial reporting/statement purposes. However, to accommodate implementation of GASB Statement Numbers 34 and 35 for Fiscal Year 2001-02, significant changes were made to GAAP reporting for the institutions and the state. Many of these changes required adjustments to the higher education fund structure, accounting policies and procedures, and reporting by the institutions to the state's accounting system. To the extent that TABOR reporting was indirectly impacted by these adjustments, these TABOR Guidelines have been changed accordingly.

It must be further understood that the following discussion concerns only accounting on the state's accounting system, COFRS. While institutions may choose to structure their internal systems similarly to what is prescribed here, to do so is not mandatory.

**B.1 NONEXEMPT/APPROPRIATED SPENDING AUTHORITY, Page One**

**B.1.a General Fund and Tuition Revenue**

Higher Education's General Fund and tuition revenues are not specifically exempted from the TABOR spending fiscal limit and therefore are controlled by the legislature via the Long Bill. Also, a distinction is made between tuition revenue and non-tuition revenue. The Cash Fund amount appropriated on the General Fund and Tuition Revenue line item in the Long Bill may come from tuition only.

The appropriated Long Bill line item "General Fund and Tuition Revenue" will be identified on the state's accounting system, COFRS, by the Appropriation Code "LBA." Section C.1, Higher Education Discreet Fund Structure, indicates in which Higher Education discreet fund(s) this Appropriation Code may be used. Revenues will be coded directly to this Appropriation Code. For information on recording expenditures see section E.1.

**B.1.b Other Than Tuition Revenue**

Those unrestricted and restricted current and noncurrent revenues generated by sources other than tuition which are not exempted from the state's annual fiscal spending limit are appropriated in a separate Long Bill line item called "Other Than Tuition Revenue." Beginning in fiscal year 03, grants and contracts from other states that are not a pass-through of grants funded by exempt federal or private dollars, are included in this nonexempt revenue category. Again, the amount appropriated on this line is an absolute ceiling on expenditures; it may be changed only by supplemental statute.

Beginning July 1, 1996, per CRS 23-1-104, it is not necessary to distinguish on the state's accounting system, COFRS, between the appropriated Long Bill line items. Therefore, the appropriated Long Bill line item "Other Than Tuition Revenue" will also be identified on COFRS by the Appropriation Code "LBA". Section C.1, Higher Education Discreet Fund Structure, indicates in which Higher Education discreet fund(s) this Appropriation Code may be used. Revenues will be coded directly to this Appropriation Code. For information on recording expenditures see section E.1.

While Fund Balances are considered exempt when expended and TABOR-neutral until that point, those fund balances represent historical exempt and nonexempt revenues over expenditures. To the extent that a fund balance is made up of funds generated by nonexempt activity, the interest earned on that portion of the fund balance, if any, is nonexempt interest revenue. Similarly, to the extent that a fund balance is made up of funds generated by exempt activity, the interest earned on that portion of the fund balance is exempt interest revenue. Therefore, it is necessary to, in effect, conceptually subdivide fund balance by the nonexempt/exempt sources of revenue and separately identify nonexempt/exempt interest earnings. The nonexempt interest earned must be recorded on COFRS in the appropriate nonexempt fund against the LBA Appropriation Code.

The identification of historical fund balances as nonexempt or exempt when TABOR accounting and reporting requirements were first implemented is discussed in Section B.2.f Fund Balances. The generation of nonexempt and exempt interest earnings relative to Plant Fund fund balances is specifically discussed in Section B.2.g Use of Plant Funds.

**B.1 NONEXEMPT/APPROPRIATED SPENDING AUTHORITY, Page Two**

**B.1.c Auxiliary & Self/Funded Activities**

The constitution allows exemptions from the state's fiscal spending limitation only if the revenues are generated by an "enterprise", constitutionally defined as a facility or activity that has authority to generate revenue bonds and gets not more than 10% of its revenues from state grants. CRS 23-5-101.5 (HB93-1355) establishes a process by which Governing Boards may certify their auxiliary and self/funded facilities and activities as "enterprises" followed by an audit review and subsequent legislation.

Auxiliary and self/funded facilities and activities which have not successfully completed this process are considered nonexempt from the fiscal spending limit and must have spending authority appropriated on the Long Bill. An "Auxiliary Enterprises" line item was introduced in the FY94 Long Bill. However, beginning July 1, 1996, per CRS 23-1-104, it is not necessary to distinguish on the state's accounting system, COFRS, between the appropriated Long Bill line items. Therefore, the appropriated Long Bill line item Auxiliary Enterprises will also be identified on COFRS by the Appropriation Code "LBA". Section C.1, Higher Education Discreet Fund Structure, indicates in which Higher Education discreet fund(s) this Appropriation Code may be used. Revenues and expenditures will be coded directly to this Appropriation Code.

Exempt/non-appropriated auxiliary and self/funded enterprises are addressed in Section B.2.b.

**B.1.d. Scholarship Allowances – Nonexempt Revenues**

GASB Statement Nos. 34 and 35 require that revenue be reported net of discounts or allowances. Therefore, starting with the FY02 financial statements, some transactions traditionally reported as revenue and as scholarship and fellowship expense by the institutions will be reported as a reduction of certain types of revenue. Tuition and fee revenue will be presented on the financial statements net of a scholarship allowance amount recorded at year-end. Potentially, an allowance could also be applied to Other Than Tuition and Nonexempt Auxiliary revenue.

Nonexempt Tuition, Other Than Tuition, and Nonexempt Auxiliary revenue will be recorded in an appropriated Higher Education nonexempt discrete fund at the gross amount throughout the year. For fiscal year 02, at year-end, that portion of the scholarship allowance allocated to these nonexempt revenues was recorded in the Higher Education discrete Presentation Fund 399 in a nonexempt COFRS Revenue Source Code used solely for this purpose. Beginning in fiscal year 03, the scholarship allowance will be recorded quarterly in the operating fund where the revenue against which the allowance is being applied is recorded. Specific COFRS Revenue Source codes exist to distinguish the scholarship allowance as contra-revenue to exempt or nonexempt tuition and exempt or nonexempt auxiliaries and self-funded revenue. Refer to COFRS Accounting Model QTR1 for guidance on making the quarterly scholarship allowance entry on COFRS.

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## **B.2 EXEMPT/NONAPPROPRIATED SPENDING AUTHORITY, Page One**

### **B.2.a Cash Revenues**

Prior to passage of the TABOR Amendment, the only Higher Education funding appropriated by the legislature was the current unrestricted revenues discussed in Section B.1.; all other spending authority was non-appropriated. While this has changed to the extent that more of Higher Education's revenues are now appropriated, i.e. nonexempt auxiliary and self/funded, a significant portion of its revenues are specifically exempted from the state's fiscal spending limit and therefore remain non-appropriated. These include all federal grants and contracts; all private gifts, grants, and contracts; all state grants and contracts; the majority of transfers-in (see Section B.2.c); indirect cost recoveries from federal, state, and private sources; interest earned on exempt funds; and, as discussed previously, revenues from exempt auxiliary and self/funded facilities and activities.

Non-appropriated activity will continue to be identified on the state's accounting system, COFRS, by the Appropriation Code "NAP." Section C.1, Higher Education Discreet Fund Structure, indicates in which Higher Education discreet fund(s) this Appropriation Code may be used. Revenues and expenditures will be coded directly to this Appropriation Code.

### **B.2.b Auxiliary Enterprises**

Prior to passage of the TABOR Amendment, the auxiliary and self/funded portion of Higher Education's activity was not appropriated by the legislature. However, the constitution now allows exemptions from the state's fiscal spending limitation only if the revenues are generated by an "enterprise", constitutionally defined as a facility or activity that has authority to generate revenue bonds and gets not more than 10% of its revenues from state grants. CRS 23-5-101.5 (HB93-1355) defines "grant" as follows:

23-5-101.5(2)(b)(I) "Grant" means any direct cash subsidy or other direct contribution of money from the state or any local government in Colorado which is not required to be repaid.

(II) Grant does not include:

(A) Any indirect benefit conferred upon an auxiliary facility from the state or any local government in Colorado;

(B) Any revenues resulting from rates, fees, assessments, or other charges imposed by an auxiliary facility for the provision of goods or services by such auxiliary facility;

(C) Any federal funds, regardless of whether such federal funds pass through the state or any local government in Colorado prior to receipt by an auxiliary facility."

Additionally, 23-5-101.5 (HB93-1355) establishes a process by which Governing Boards may certify their auxiliary and self/funded facilities and activities as "enterprises" followed by an audit review and subsequent legislation. All auxiliary and self/funded revenues are considered within the fiscal spending limit, i.e. nonexempt, in FY94 until certified as an enterprise by the ruling Governing Board. At that point they become exempt for FY94. If passed by the audit review and exempted by statute in the FY94 General Session, they remain exempt for future years; if not, they become nonexempt in FY95 and eligible for the process again.

## **B.2 EXEMPT/NONAPPROPRIATED SPENDING AUTHORITY, Page Two**

### **B.2.b Auxiliary Enterprises (continued)**

Exempt auxiliary and self-funded facilities and activities will be identified on the state's accounting system, COFRS, by the Appropriation Code "NAP", along with all other non-appropriated spending authority. Per Section C.1, Higher Education Discreet Fund Structure, this activity will be recorded in Fund 320 unless an institution chooses to break out specific activity into the optional-use Funds 321 through 328. Revenues and expenditures will be coded directly to this Appropriation Code in these funds.

Nonexempt/appropriated auxiliary and self-funded activity is addressed in Section B.1.c.

### **B.2.c. Undesignated Exempt Activity**

During the early years of TABOR reporting, higher education grouped all current unrestricted exempt activity in Funds 311 and 320-328. However, as TABOR reporting needs became better understood, it became necessary to identify designated enterprise exempt activity separately from any other exempt activity. Therefore, during FY96, the 32X series of higher education discreet funds were restructured to limit Fund 328 to reporting Undesignated Exempt Activity. Designated enterprise activity continued to be reported in funds 320-326 and undesignated auxiliary activities and non-exempt self-funded activity continued to be reported in fund 329. Use of Fund 311 is unaffected by this change.

Because of decisions made relative to implementation of GASB Statement Nos. 34 and 35, it became necessary to limit use of Fund 328 to Internal Service Activity. Therefore, beginning in FY02, undesignated exempt auxiliary/self-funded activity will be recorded in Fund 326 and designated exempt auxiliary/self-funded activity will be recorded in Funds 320-325. Changes made to recording internal service activity are addressed in Section B.2.h.

### **B.2.d. Scholarship Allowances – Exempt Revenues**

GASB Statement Nos. 34 and 35 require that revenue be reported net of discounts or allowances. Therefore, starting with the FY02 financial statements, some transactions traditionally reported as revenue and as scholarship and fellowship expense of the institutions will be reported as a reduction of certain types of revenue. Tuition and fee and auxiliary revenue will be presented on the financial statements net of a scholarship allowance amount. Potentially, an allowance could also be applied to other types of revenue though this occurrence is uncommon.

Exempt tuition and exempt Auxiliary revenue will be recorded in a non-appropriated Higher Education exempt discrete fund at the gross amount throughout the year. For fiscal year 02, At year-end, that portion of the scholarship allowance allocated to these exempt revenues was recorded in the Higher Education discrete Presentation Fund 399 in an exempt COFRS Revenue Source Code used solely for this purpose. Beginning in fiscal year 03, the scholarship allowance will be recorded quarterly in the operating fund where the revenue against which the allowance is being applied is recorded. Specific COFRS Revenue Source codes exist to distinguish the scholarship allowance as contra-revenue to exempt or nonexempt tuition and exempt or nonexempt auxiliaries and self-funded revenue. Refer to COFRS Accounting Model QTR1 for guidance on making the quarterly scholarship allowance entry on COFRS.



## **B.2 EXEMPT/NONAPPROPRIATED SPENDING AUTHORITY, Page Three**

### **B.2.e Transfers**

Given the volume of transfer activity within the Higher Education discreet funds, this type of revenue was specifically reviewed by both the Financial Advisory Committee and the state central agencies. Transfers-in are considered exempt revenue for TABOR Amendment purposes with one exception applicable when an auxiliary/self-funded facility or activity is involved. The following rules apply:

- Rule 1 Transferring dollars from a TABOR exempt activity to another TABOR exempt activity generates exempt transfer revenue. Reference COFRS Transfer Rule 1 Accounting Model A for specific entries.
- Rule 2 Transferring dollars from a TABOR nonexempt activity to another TABOR nonexempt activity generates TABOR exempt transfer revenue. Reference COFRS Transfer Rule 2 Accounting Model B for specific entries.
- Rule 3 Transferring dollars from a TABOR nonexempt activity to a TABOR exempt activity generates TABOR exempt transfer revenue. Reference COFRS Transfer Rule 3 Accounting Model C for specific entries.
- Rule 4 Transferring dollars from a non-enterprise TABOR exempt activity to a TABOR nonexempt activity generates TABOR exempt transfer revenue. Reference COFRS Transfer Rule 4 Accounting Model D for specific entries.
- Rule 5 Transferring dollars from a TABOR designated enterprise activity to a TABOR nonexempt activity generates TABOR nonexempt transfer revenue. Reference COFRS Transfer Rule 5 Accounting Model E for specific entries.

The purpose of this exception to the rule and the primary example of why it exists is that an institution may not fund a plant project for a nonexempt auxiliary, e.g. building a football stadium for a nonexempt athletic department, with revenues from an exempt auxiliary, e.g. residence halls.

### **B.2.f Facilities & Administrative (F & A) Cost Recoveries**

Facilities & Administrative (F & A) cost recoveries received from federal sources are exempt revenue. They may be receipted in either of the following ways:

- into the Current Restricted Exempt Fund 330 using Revenue Source Code 7400, Federal Grant/Contract, Federal Direct - Operating or 7430 Federal Grant/Contract - Federal Direct - Capital  
then transferred to the Current Unrestricted Exempt Fund per COFRS Indirect Cost Transfer Accounting Model G.
- into the Current Unrestricted Exempt Fund 311 using Revenue Source Code 7902, Fed Govt/Nongrant/Other.

**B.2 EXEMPT/NONAPPROPRIATED SPENDING AUTHORITY, Page Four**

**B.2.e Facilities & Administrative (F & A) Cost Recoveries (continued):**

Facilities & Administrative (F & A) cost recoveries received from private sources are exempt revenue. They may be receipted in either of the following ways:

- into the Current Restricted Exempt Fund 330 using Revenue Source Code 6600, Donations - Private - Restricted  
then transferred to the Current Unrestricted Exempt Fund 311 per COFRS Indirect Cost Transfer Accounting Model G.
- into the Current Unrestricted Exempt Fund 311 using Revenue Source Code 6601 - Donations - Private - Unrestricted.

Facilities & Administrative (F & A) cost recoveries received from state sources are exempt revenue when originally receipted. They may be receipted in either of the following ways:

- into the Current Restricted Exempt Fund 330 using Revenue Source Code 7600 State Govt Grant/Contract - Operating or 7630 State Grant/Contract – Capital  
then transferred to the Current Unrestricted Exempt Fund 311 per COFRS Indirect Cost Transfer Accounting Model G.
- into the Current Unrestricted Exempt Fund 311 using Revenue Source Code 7600 State GovtGrant/Contract - Other.

Facilities & Administrative (F & A) cost recoveries received from local sources are non-exempt revenue when originally receipted. They may be receipted in either of the following ways:

- into the Current Restricted Nonexempt Fund 331 using Revenue Source Code 7700, Local Grant/ Contact - Operating or 7730 Local Grant/Contract – Capital.  
then transferred to the Current Unrestricted Exempt Fund 311 per COFRS Indirect Cost Transfer Accounting Model G.
- into the Current Unrestricted Nonexempt Fund 310 using Revenue Source Code 8200, Other Intergovernmental Revenue.

GASB Statement Nos. 34 and 35 require that Facilities and Administrative (F & A) cost recoveries be eliminated for financial statement reporting purposes. These revenues should be recorded per above throughout the year. The required elimination will be accomplished using the Higher Education discrete Presentation Fund 399 at year-end.

## **B.2 EXEMPT/NONAPPROPRIATED SPENDING AUTHORITY, Page Five**

### **B.2.g Fund Balances**

The constitution as changed by the TABOR Amendment specifically exempts expenditures from "reserves", i.e. fund balances, from the fiscal spending limit. Therefore, while a fund balance may be generated from an excess of exempt or nonexempt revenues over expenditures, the fund balance itself is neutral and expenditures from it are exempt. During the first few years of TABOR reporting, this fact created an operational problem during a fiscal year in which fund balance was expended in a nonexempt fund. Since fund balance accounts were left in the nonexempt fund of each fund group when the corresponding exempt fund was created and because the nonexempt funds require real, as opposed to \$0, spending authority, at the point an institution/Board began spending from fund balance its expenditure entries into COFRS rejected for lack of available spending authority and expenditures in excess of revenues were flagged as abnormal activity. Institutions/Boards were required to redirect their expenditures to the exempt fund and to move a corresponding amount of Cash and Fund Balance from the nonexempt fund to the exempt fund in any fund group where this situation occurred.

In FY96, the June 30, 1995 fund balances in the current fund groups were moved, with a corresponding amount of Cash, from the non-exempt fund to the exempt fund in each fund group. This entry removed the need to perform a Balance Sheet re-class entry each fiscal year for the amount of fund balance expended that year. However, it is still necessary for institutions/Boards to redirect expenditures from the nonexempt to the exempt fund at any point during the fiscal year that expenditures exceed revenues in that nonexempt fund. Institutions/Boards may accomplish this by doing one of the following:

- i) At a point in time prior to recording expenditures in excess of revenues an institution/ Board may change the interface/crosswalk table to feed expenditures to the exempt fund in the same fund group. If the interface/crosswalk table is not changed the spending authority limit is hit, interfaced JV transactions will be rejected by the system. At that time, an institution/ Board must move those expenditures exceeding revenues in the nonexempt fund to the corresponding exempt fund, e.g. Fund 310 to Fund 311 or Fund 329 to Fund 326, by manually recoding the fed JV documents and adjusting the cash entries between the funds and the document clearing account. The interface/crosswalk table may then be changed before the next feed is sent.
- ii) At a point in time prior to recording expenditures in excess of revenues, an institution/Board may move expenditures equal to the estimated amount of expenditures from fund balance from the nonexempt to the exempt fund and not change the interface/crosswalk table. At fiscal year end, expenditures in the nonexempt fund must be made equal to that fund's revenues.

If an institution/Board collects nonexempt revenues in excess of expenditures, fund balance will be created in the nonexempt fund of the fund group. Before the first quarter close of the following fiscal year, the institution/Board must re-class the prior year's June 30 fund balance to the exempt fund in the fund group. Because of decisions made relative to implementation of GASB Statement Nos. 34 and 35, it became necessary to limit use of Fund 328 to Internal Service Activity and to record undesignated exempt auxiliary/self-funded activity separately in Fund 326. Therefore, the fund balance of Fund 329 will be re-classified to fund 326.

## B.2 EXEMPT/NONAPPROPRIATED SPENDING AUTHORITY, Page Six

### B.2.g Fund Balances (continued)

Since the reserves represented by the fund balance accounts are the cumulative net of historical activity, it was not possible to retroactively apply the nonexempt/exempt criteria of TABOR. However, it was necessary to facilitate identification of interest earned on the fund balances as either nonexempt or exempt revenue. Therefore, an agreement was reached about each fund balance based upon the preponderance of nonexempt/exempt activity in each of the Higher Education discrete funds. As result of this determination, the funds held in the following fund balance accounts at July 1, 1993 were labeled as follows:

Fund 310	Current Unrestricted	Nonexempt fund balance/reserve
Fund 320	Auxiliary/Self-Funded	Exempt fund balance/reserve
Fund 330	Current Restricted	Exempt fund balance/reserve
Fund 340	Student Loan Fund	Exempt fund balance/reserve
Fund 350	Endowment Fund	Exempt fund balance/reserve
Fund 371	Unexpended Plant Fund	Exempt fund balance/reserve
Fund 372	Renewal & Replacement Fund	Exempt fund balance/reserve
Fund 373	Retirement of Indebtedness Fund	Exempt fund balance/reserve
Fund 374	Investment in Plant Fund	Exempt fund balance/reserve

As the net annual activity is added to fund balances accounts each fiscal year, it is necessary to, in effect, conceptually subdivide the fund balance by the nonexempt/exempt sources of revenue and separately identify nonexempt/exempt interest earnings so that they may be accurately accounted for as in or out of the TABOR fiscal spending limit. For further discussion of the treatment of interest earnings, please refer to Section B.1.b Other Than Tuition Revenue. The generation of nonexempt and exempt interest earnings relative to Plant Fund fund balances is specifically discussed in Section B.2.h Use of Plant Funds.

### B.2.h Use of Plant Funds

The 6/30/95 balances in the exempt plant funds (371) rolled forward to become the 7/1/95 beginning balances in those same exempt plant funds. Those fund balances increase and decrease as the result of activity going forward. Activity will be recorded in the nonexempt plant funds (375) as a result of an institution initiating and running a nonexempt plant project or as the result of interest earnings on nonexempt cash.

A plant project for a nonexempt auxiliary supported by revenues from an exempt auxiliary will be treated as a nonexempt plant project per Transfer Rule 5 (Fund 320-328 transfer to Fund 375). All other transfers to support a plant project result in exempt revenue. Specifically:

- A plant project for an exempt auxiliary supported by revenues from that or another exempt auxiliary: The revenue is originally receipted as exempt revenue in Fund 320-328 and subsequently transferred to Fund 371 where it is receipted as exempt revenue. The revenue is exempt from the fiscal spending limit because it was earned by an exempt enterprise. See Transfer Rule 1.

**B.2 EXEMPT/NONAPPROPRIATED SPENDING AUTHORITY, Page Seven**

**B.2.h Use of Plant Funds (continued)**

- A plant project for a nonexempt auxiliary supported by revenues from that or another nonexempt auxiliary: The revenue is originally receipted as nonexempt revenue in Fund 329 and subsequently transferred to Fund 371 where it is receipted as exempt revenue. The revenue was measured against the fiscal spending limit when originally receipted in Fund 329 and is therefore exempt when transferred to another fund. See Transfer Rule 2.
- A plant project for a nonexempt instructional building supported by tuition & fees revenues: The revenue is originally receipted as nonexempt in Fund 310 and transferred to Fund 371 where it is receipted as exempt revenue. The revenue was measured against the fiscal spending limit when originally receipted in Fund 310 and is therefore exempt when transferred to another fund. See Transfer Rule 3.
- A plant project for a nonexempt instruction building supported by exempt revenues, i.e. a private gift: The revenue is originally receipted as exempt in Fund 330 and subsequently transferred to Fund 371 where it is receipted as exempt revenue. The revenue is exempt from the fiscal spending limit because of its original source (private). See Transfer Rule 4.
- A plant project for a nonexempt instruction building or a nonexempt auxiliary supported by nonexempt restricted revenues, e.g. funding received from a local government: The revenue is originally receipted as nonexempt in Fund 331 and subsequently transferred to Fund 371 where it is receipted as exempt revenue. The revenue was measured against the fiscal spending limit when originally receipted in Fund 331 and is therefore exempt when transferred to another fund. See Transfer Rule 2.

Were an institution to have nonexempt plant fund activity and generate a nonexempt plant fund balance, the interest earned on that balance would be nonexempt.

It is possible to generate both exempt and nonexempt interest from an exempt plant fund Fund Balance. To the extent that an exempt plant fund Fund Balance is increased by non-exempt revenues (application of Transfer Rules 2, 3, and 4), that portion of the fund balance will earn nonexempt interest. Therefore, it is necessary to, in effect, conceptually subdivide an exempt plant fund balance by the exempt/nonexempt sources of revenue and separately identify exempt/nonexempt interest earnings. The nonexempt interest earned must be recorded in the appropriate nonexempt plant fund against the LBA Appropriation Code.

## **B.2 EXEMPT/NONAPPROPRIATED SPENDING AUTHORITY, Page Eight**

### **B.2.i Internal Service Unit Activity**

In some cases, internal service units may not be considered an auxiliary activity eligible for Governing Board designation as an exempt enterprise. In these cases, it is necessary to distinguish between business done with internal versus external customers. For purposes of TABOR, internal is defined as the State of Colorado and therefore includes other state agencies. Therefore, internal service unit sales to other state agencies should be recorded as revenue in an exempt fund using COFRS Revenue Source Code 5311, Inter/Intra Agency Sales.

Internal service activity will be recorded throughout the fiscal year per below.

- If the internal service unit is not an enterprise and there are sales to internal customers, the internal sales (except those to other state agencies as noted above) should be recorded as credits to the appropriate revenue source codes in Fund 328 using COFRS Appropriation Code NAP.
- If the internal service unit is not an enterprise and there are sales to external customers, the external sales should be recorded as revenue in Fund 329 using COFRS Appropriation Code LBA.
- If the internal services unit has been designated as an enterprise by the Governing Board, the activity should be recorded as credits to the appropriate revenue source codes in Funds 320 – 325 using COFRS Appropriation Code NAP.

To satisfy GASB Statement Nos. 34 and 35 requirements for financial statement reporting purposes, Higher Education discrete fund 328 will be used only for non-enterprise internal service activity and will be eliminated by the State. For enterprise internal service activity recorded in Fund 320-325 throughout the fiscal year, the institution will make a year-end entry in the Higher Education discrete Presentation Fund 399 to eliminate the internal service activity in those Funds.

If an internal service unit has both internal and external activity, an institution may, depending upon materiality, interface all of an internal service unit's activity to one Fund/Appropriation Code and make quarterly or annual adjustments to properly record the division of sales. In such a case, on an ongoing basis, the institution should interface the activity to the Fund/Appropriation Code that correctly records the material portions of the activity. As revenue adjustments are made, expenditures must be adjusted to follow the associated revenue.

Clarification on identifying and classifying internal sales activity is provided by the Reporting Internal Sales matrix found on the FAC website at <http://www.sco.state.co.us/fac/index.htm>.

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### **B.3 SPENDING AUTHORITY CONTROLS AND LIMITS**

The state's accounting system, COFRS, exercises budget control at the fund level. If the control flag is set at full control, the system edits transactions for valid coding and availability of spending authority. If the control flag is set at presence control, the system edits transactions for valid coding only. Prior to passage of the TABOR Amendment, the Higher Education discreet State Appropriated Fund 310 was set at full control. It was necessary to establish spending authority equal to that appropriated or, in the case of cash funds, approved by the Governing Board; expenditures exceeding that spending authority would not be posted. All other Higher Education discreet funds were set at presence control and \$0 spending authority was established to activate the Appropriation Code NAP.

The FY94 Long Bill appropriated to Higher Education Governing Boards "Other Than Tuition Revenue" which could potentially be earned and expended in any of the discreet funds. Given the system budget controls, it therefore became necessary to either establish spending authority on COFRS beyond that appropriated in the Long Bill or establish separate exempt and nonexempt funds for the existing discreet funds. It was decided to take the later approach and the fund structure presented in Section C.1 was developed and implemented. It allows all exempt revenues to be recorded in funds set at presence control only while all nonexempt revenues were recorded in funds set at full control.

Subsequently, it was determined that the budget control exercised on the appropriated 3XX higher education discreet funds was not meaningful since activity is posted to these funds via interface after it has occurred. Since real-time control of expenditures and earnings to the Long Bill appropriation was not occurring, the effort required to maintain budget control was eliminated and these funds were changed to presence control funds in fiscal year 03. However, the management need to distinguish between appropriated and non-appropriated revenues and expenditures remains. therefore, the discreet fund structure, the FAC policies about TABOR reporting, and specific direction on use of COFRS Revenue Source Codes, presented in this document, remain in place.

There is a need to very specifically record revenues in the correct exempt or nonexempt code and fund. In most cases this determination can be made distinctly for each type of revenue received. However, for auxiliary and self/funded facilities and activities, the determination depended upon the exempt/nonexempt status of the function earning the revenue rather the nature of the revenue itself. To facilitate understanding and minimize miscoding, it became advisable to specifically limit use of individual codes to certain funds. Sections D.1 and D.2 list COFRS Revenue Source Codes by Fund and by Exempt/Nonexempt respectively. The listing by Fund is deliberately intended to restrict the use of specific Revenue Source Codes to specific funds. Should an institution or Governing Board identify a need for additional codes within a fund, their representative on the Financial Advisory Committee must discuss their need with the Committee towards making a change to this listing.

When making such specific coding requirements, it is necessary that everyone have the same understanding of what each code is intended to include. Therefore, the Revenue Source Code Definitions, Section D.3, have been developed. Should the Financial Advisory Committee approve use of an additional code in a fund, that code must be defined in this section.

The following section, B.4 Identification of Exempt Revenues, provides a listing of revenues commonly received in the specific Higher Education discreet funds and identifies them as nonexempt or exempt from the fiscal spending limit.



### **B.3 SPENDING AUTHORITY CONTROLS AND LIMITS (continued)**

To accommodate implementation of GASB Statement Nos. 34 and 35 for Fiscal Year 2001-02, significant changes were made to GAAP reporting for the institutions and the state. Many of these changes required adjustments to the higher education fund structure, accounting policies and procedures, and reporting by the institutions to the state's accounting system. To the extent that TABOR reporting was indirectly impacted by these adjustments, the specific sections of these TABOR Guidelines discussed above have been changed accordingly.

**B.4 IDENTIFICATION OF EXEMPT REVENUES, Page One**

	Exempt Yes/No	Fund
<b>Unrestricted Funds</b>		
Tuition	<u>NO</u>	310
Instructional Fees	<u>NO</u>	310
Charges for Services	<u>NO</u>	310
Sales & Services of Educational Activities	<u>NO</u>	310
Rental Income	<u>NO</u>	310
Transfers of General Fund Appropriation	<u>YES</u>	310
Indirect Cost Recoveries from Local Sources (when initially receipted here)	<u>NO</u>	310
Indirect Cost Recoveries from Federal, State, and Private Sources	<u>YES</u>	311
Unrestricted Federal and Private Funds	<u>YES</u>	311
Sale of Surplus Equipment, Damage Awards, Royalties	<u>YES</u>	311
Interest Income on Nonexempt Revenues	<u>NO</u>	310
Interest Income on Exempt Revenues	<u>YES</u>	311
Gain/Loss on Nonexempt Investments	<u>NO</u>	310
Gain/Loss on Exempt Investments	<u>YES</u>	311
Transfers from Other Funds	<u>YES</u>	311
Transfers from Enterprises	<u>NO</u>	310
<b>Auxiliary/Self-Funded Funds</b>		
Constitutionally Exempt Revenues	<u>YES</u>	320-326
Revenues from Enterprises	<u>YES</u>	320-325
Interest Income on Nonexempt Revenues	<u>NO</u>	329
Interest Income on Exempt Revenues	<u>YES</u>	320-326
Gain/Loss on Nonexempt Investments	<u>NO</u>	329
Gain/Loss on Exempt Investments	<u>YES</u>	320-326
Transfers from Enterprises to Nonexempt Auxiliary/Self-Funded Functions	<u>NO</u>	329
Transfers from Nonexempt Auxiliary Functions to Enterprises	<u>YES</u>	320-325
Transfers from any other Fund to Nonexempt Auxiliary Functions	<u>YES</u>	320-326
Transfers from any other Fund to Enterprises	<u>YES</u>	320-325
Internal Service Activity	<u>YES</u>	328
<b>Restricted Funds</b>		
Federal Grants & Contracts	<u>YES</u>	330
Private Gifts, Grants & Contracts	<u>YES</u>	330
Interest Income on Federal and Private Funds	<u>YES</u>	330
Gain/Loss on Nonexempt Investments	<u>NO</u>	331
Gain/Loss on Exempt Investments	<u>YES</u>	330
State Grants & Contracts	<u>YES</u>	330
Local Grants & Contracts	<u>NO</u>	331
Interest Income on Nonexempt Funds	<u>NO</u>	331
Transfers from Enterprises	<u>NO</u>	331

**B.4 IDENTIFICATION OF EXEMPT REVENUES, Page Two**

	Exempt Yes/No	Fund
<b>Student Loan Funds</b>		
Private Gifts	<u>YES</u>	340
Federal Contribution/Cancellation Payments	<u>YES</u>	340
Transfer of Institutional Contribution to Federal Program	<u>YES</u>	340
Interest Income on Federal/Private Program Funds	<u>YES</u>	340
Late Payment Penalties on Federal/Private Program Funds	<u>YES</u>	340
Collection Charges on Federal/Private Program Funds	<u>YES</u>	340
Interest Income on Institutional Program Funds	<u>NO</u>	341
Transfers from Enterprises	<u>NO</u>	341
<b>Endowment Fund</b>		
Private Gifts	<u>YES</u>	350
Interest Income	<u>YES</u>	350

**Plant Funds** (With implementation of GASB Statement Nos. 34 and 35 for Fiscal Year FY02, Higher Education discrete sub-group plant funds 372, 373, 374, 376, 377, and 378 were eliminated. Only two Higher Education discrete Plant Funds remain - Fund 371 Plant Funds Exempt and Fund 375 Plant Funds Non-exempt.)

Federal Funds	<u>YES</u>	371
Private Funds	<u>YES</u>	371
Transfer of State Capital Construction Appropriation	<u>YES</u>	371
Transfers from Other-Than-Auxiliary/Self-Funded		
Exempt Fund(s)	<u>YES</u>	371
Interest Income on Exempt Reserves	<u>YES</u>	371
Pledged Interest Income on Bond Proceeds for Exempt Projects	<u>YES</u>	371
Transfers from Enterprises for Nonexempt Projects	<u>NO</u>	375
Interest Income on Nonexempt Reserves	<u>NO</u>	375
Pledged Interest Income on Bond Proceeds for		
Nonexempt Projects	<u>NO</u>	375
Private Gifts/Grants/Contracts	<u>YES</u>	371
Additions to Fixed Assets	<u>YES</u>	371
Retirement of Indebtedness	<u>YES</u>	371

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**C.1 HIGHER EDUCATION DISCRETE FUNDS COFRS FUND STRUCTURE**

<b>Fund Structure Through 6/30/01</b>		<b>Fund Structure Beginning 7/1/01</b>	
310	Current Unrestricted Nonexempt	310	Current Unrestricted Nonexempt
311	Current Unrestricted Exempt	311	Current Unrestricted Exempt
320-326	Designated Enterprises	320-325	Designated Enterprises
		324	CSU Research Building Fund
		326	Auxiliary/Self-Funded Non-enterprise Exempt
327	CPPS PR Clearing (Exempt)	327	CPPS PR Clearing (Exempt)
328	Undesignated Exempt Activity	328	Internal Service Activity Exempt
329	Auxiliary/Self-Funded Nonexempt	329	Auxiliary/Self-Funded Nonexempt
330	Current Restricted Exempt	330	Current Restricted Exempt
331	Current Restricted Nonexempt	331	Current Restricted Nonexempt
		332	UCHSC Children's Health Plan
		333	UCHSC Fitzsimmons Trust Fund
340	Student Loan Exempt	340	Student Loan Exempt
350	Endowment Exempt	350	Endowment Exempt
371	Unexpended Plant Exempt	371	Plant Exempt
375	Unexpended Plant Nonexempt	375	Plant Nonexempt
372	Renewal & Replacement Exempt		
376	Renewal & Replacement Nonexempt		
373	Retirement of Indebtedness Exempt		
377	Retirement of Indebtedness Nonexempt		
374	Investment in Plant Exempt		
380	Agency Fund	380	Agency Fund
		399	Financial Presentation Fund

## **C.2 BALANCE SHEET TREATMENT**

The FY93 closing Balance Sheet account balances for the FY93 Fund 320 rolled to the FY94 Fund 320 Auxiliary/Self-Funded Exempt; those for FY93 Fund 330 rolled to the FY94 Fund 330 Current Restricted Exempt; and those for FY93 Fund 340 rolled to the FY94 Fund 340 Student Loan Exempt. FY94 beginning Balance Sheet account balances for the associated nonexempt funds (329, 331, and 341) were created by reclassifying the nonexempt portion of the balances rolled forward into the exempt funds. The amounts reclassified were identified in conjunction with institutions' identification of their institutional projects/cost centers as either nonexempt or exempt.

The FY93 closing Balance Sheet account balances for the FY93 Fund 310 rolled to the FY94 Fund 310 Current Unrestricted Nonexempt; those for FY93 Fund 371 rolled to the FY94 Fund 371 Unexpended Plant Exempt; those for FY93 Fund 372 rolled to the FY94 Fund 372 Renewal & Replacement Exempt; and those for FY93 Fund 373 rolled to the FY94 Fund 373 Retirement of Indebtedness Exempt. Beginning Balance Sheet account balances were not established for nonexempt Funds 375, 376, and 377 since any nonexempt revenues not related to specific projects or cost centers were generated from zero beginning July 1, 1993. As ongoing exempt activity occurs, the offsetting Balance Sheet accounts are created as appropriate.

If an institution is coding specific cost centers to the Current Unrestricted Nonexempt Fund 311, the Balance Sheet accounts related to those cost centers must be reclassified to Fund 311 using one of the above methods. If activity is being recorded in Fund 311 based on an allocation methodology beginning July 1, 1993, this reclassification is not necessary.

Fund 350 and 374 remain unchanged and their Balance Sheet account balances are established and maintained through the normal closing and accounting processes.

For a detailed discussion of the treatment of interest earnings on fund balances, please refer to Section B.1.b Other Than Tuition Revenue. For a detailed discussion of the treatment fund balances and their initial identification as exempt or nonexempt for TABOR purposes, please refer to Section B.2.f Fund Balances. The generation of nonexempt and exempt interest earnings relative to Plant Fund fund balances is specifically discussed in Section B.2.g Use of Plant Funds.

Balance Sheet account balances in Higher Education discrete funds eliminated with implementation of GASB Statement Nos. 34 and 35 for Fiscal year 2001-02 were re-classed to the appropriate remaining discrete fund during FY02.

**D.1 REVENUE SOURCE CODE GROUPINGS, Page One**

**Available for use in Any Higher Education Discrete Non-exempt Fund as appropriate:**

4801	Nonexempt	Resident Tuition - Graduate
4802	Nonexempt	Resident Tuition - Undergraduate
4803	Nonexempt	Resident Tuition - Other
4805	Nonexempt	Tuition - Nonexempt Continuing Education (Fund 329 Fort Lewis only)
4901	Nonexempt	Nonresident Tuition - Graduate
4902	Nonexempt	Nonresident Tuition - Undergraduate
4903	Nonexempt	Nonresident Tuition - Other
5001	Nonexempt	Sales & Services of Educational Activities
5002	Nonexempt	Instructional Fees
5005	Nonexempt	Conference Fees
5007	Nonexempt	Nonexempt Student Activity Fees (Fund 329 only)
5050	Nonexempt	Scholarship Allowance – Nonexempt Tuition & Fees (contra-revenue account)
5200	Nonexempt	Other Charges for Services
5208	Nonexempt	Credit Card Fees Nonexempt (contra-revenue account)
5402	Nonexempt	Nonexempt Higher Ed Auxiliary/Self-Funded Sales & Services (Fund 329 only)
5450	Nonexempt	Scholarship Allowance – Nonexempt Auxiliary Sales/Service (contra-revenue account)
5900	Nonexempt	Interest Income
5905	Nonexempt	Higher Education Loan Interest - Nonexempt
6000	Nonexempt	Gain/Loss on Investments
6400	Nonexempt	Rental Income – Non-Operating
6420	Nonexempt	Rental Income – Operating
6700	Nonexempt	Donations from Public Sources
7624	Nonexempt	State Government Contract from an Enterprise
7700	Nonexempt	Local Grant/Contract - Operating
7730	Nonexempt	Local Grants/Contracts - Capital
7750	Nonexempt	Non-Colorado State Grant/Contract - Other
7770	Nonexempt	Non-Colorado State Grant/Contract - Capital
8200	Nonexempt	Other Intergovernmental Revenue
8202	Nonexempt	WICHE Capital Outlay (Fund 310 by CSU only)
8300	Nonexempt	Miscellaneous Revenues – Operating
8310	Nonexempt	Miscellaneous Revenues – Non-Operating
AAGB	Nonexempt	Nonexempt DOHE Institution Internal Transfers
EQGB	Exempt	Exempt DOHE State Appropriation – Operating (Fund 310 only)
ERWB	Nonexempt	Nonexempt DOHE/Controlled Maintenance Trust Fund Transfers to DOHE (Fund 461 only)

**Available for use in Any Higher Education Discrete Exempt Fund as appropriate:**

4804	Exempt	Tuition - Exempt Continuing Education (Fund 320 only)
5003	Exempt	Exempt Student Activity Fees
5051	Exempt	Scholarship Allowance – Exempt Tuition & Fees (contra-revenue account)
5209	Exempt	Credit Card Fees Exempt (contra-revenue account)
5304	Exempt	Sale of Surplus Equipment
5311	Exempt	Inter/Intra Agency Sales
5400	Exempt	Exempt Higher Ed Auxiliary Sales & Services

**D.1 REVENUE SOURCE CODE GROUPINGS, Page Two**

**Available for use in Any Higher Education Discrete Exempt Fund as appropriate (continued):**

5401	Exempt	Exempt Higher Ed Self-Funded Sales & Services
5451	Exempt	Scholarship Allowance – Exempt Auxiliary Sales & Service (contra-revenue account)
5850	Exempt	Damage Awards - Court Ordered
5860	Exempt	Damage Awards - Insurance Recoveries
5870	Exempt	Damage Awards - Other Awards
5901	Exempt	Federal Equity Interest
5903	Exempt	Interest Income - Exempt
5904	Exempt	Higher Education Loan Interest - Exempt
6001	Exempt	Exempt Investment Gain/Loss
6100	Exempt	Royalties
6410	Exempt	Exempt Rental Income - Non-Operating
6421	Exempt	Exempt Rental Income - Operating
6501	Exempt	Gain on Disposal of Fixed Asset
6600	Exempt	Donations - Private – General
6601	Exempt	Donations - Private – Endowment Additions
6603	Exempt	Donations - Private – Cash for Capital Assets
6609	Exempt	Donations – Capital Asset – Land
6610	Exempt	Donations – Capital Asset – Land Improvements
6612	Exempt	Donations – Capital Asset – Buildings
6614	Exempt	Donations – Capital Asset – Equipment
6615	Exempt	Donations – Capital Asset – Library Holdings
6617	Exempt	Donations – Capital Asset – Art & Historical Holdings
7400	Exempt	Fed Grant/Contract - FedDirect - Operating
7430	Exempt	Federal Grants/Contracts - Capital
7500	Exempt	Fed Grant/Contract - Subrecip - Operating
7530	Exempt	Federal Grants/Contracts – Subrecipient - Capital
7600	Exempt	State Govt Grant/Contract - Operating
7630	Exempt	State Grants/Contracts - Capital
7800	Exempt	Private Grant/Contract - Operating
7830	Exempt	Private Grants/Contracts - Capital
7901	Exempt	Fed Govt/Nongrant/Federal Appropriation
7902	Exempt	Fed Govt/Nongrant/Other
8301	Exempt	Exempt Miscellaneous Revenue – Operating
8303	Exempt	Reimbursement Prior Yr Expense
8304	Exempt	Reversion of Expired (COFRS) Warrants
8311	Exempt	Exempt Miscellaneous Revenues – Non-Operating
ABGA	Exempt	DOHE Internal Transfers (Between 3XX Funds)
ABGC	Exempt	DOHE Institutional Internal Transfers
EBGA	Exempt	DOHE Internal Transfers (Between 3XX Funds & other funds)
EBGD	Exempt	DOHE State Appropriation – Capital
ELGB	Exempt	Student Financial Aid Transfers from CCHE (Fund 330 only)



**D.1 REVENUE SOURCE CODE GROUPINGS, Page Three**

**Special coding for transactions specific to unique activity or limited institutions:**

**To be used in 310 Current Unrestricted Fund only by CSU :**

4100	Nonexempt	Other Taxes
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**To be used in 310 Current Unrestricted Nonexempt Fund only by UC-Health Sciences Center only:**

4605	Nonexempt	Patient Revenue
4608	Exempt	Patient Revenue

**To be used in 310 Current Unrestricted Nonexempt Fund by FRCC only:**

5302	Nonexempt	Sale of Agricultural Products
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**To be used in 310 Current Unrestricted Nonexempt Fund only by CSU only:**

8202	Nonexempt	WICHE Capital Outlay
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**To be used in 310 Current Unrestricted Nonexempt by CCCOES (GJA):**

EBDG	Exempt	DOE/CVA Transfers to CCC
EBEE	Exempt	Transfers from Governor's Job Training

**To be used in 310 Current Unrestricted Non-Exempt Fund by AHEC only:**

ABGF	Exempt	AHEC Constituents Long Bill Transfers
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**To be used in 311 Current Unrestricted Exempt Fund by AHEC, CCD, METRO, and UC-DENVER only:**

ABGH	Exempt	AHEC Constituents Non-Long Bill Transfers
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**To be used in fund 350 Endowment Exempt Fund only by Fort Lewis College, CSU, and UC Regents only:**

EBPP	Exempt	DONR/Land Board Transfers to DOHE
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**To be used in fund 331 Restricted Non-Exempt Fund only by UC Regents only:**

EBWJ	Exempt	Transfers from Tobacco Settlement
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**To be used for year-end entries in fund 399 Presentation Fund only:**

5030	N/A	Pledged Tuition & Fees
5930	N/A	Non-Operating Pledged Investment Income
5470	N/A	Pledged Auxiliary Revenues
7450	N/A	Pledged Federal Grants & Contracts
8330	N/A	Pledged Other Revenues

## D.2 REVENUE SOURCE CODE GROUPINGS BY EXEMPT/NONEXEMPT, Page One

### EXEMPT REVENUE SOURCE CODES:

#### All Federal Grants & Contracts

5901	Federal Equity Interest
7400	Fed Grant/Contract-FedDirect- Operating
7430	Federal Grants/Contracts - Capital
7500	Fed Grant/Contract-Subrecip- Operating
7530	Federal Grants/Contracts-Subreceptient-Capital
7901	Fed Govt/Nongrant/Federal Appropriation
7902	Fed Govt/Nongrant/Other

#### Grants/Contracts-State:

7600	State Govt Grant/Contract- Operating
7630	State Grants/Contracts-Capital

#### All Private Revenues

6600	Donations – Private - General
6601	Donations – Private - Endowment Additions
6603	Donations - Private - Cash for Capital Assets
6609	Donations – Capital Asset – Land
6610	Donations – Capital Asset – Land Improvements
6612	Donations – Capital Asset – Buildings
6614	Donations – Capital Asset – Equipment
6615	Donations – Capital Asset – Library Holdings
6617	Donations – Capital Asset – Art & Historical Holdings
7800	Private Grant/Contract-Other
7830	Private Grants/Contracts-Capital

#### EXEMPT Transfers

ABGA	DOHE Exempt Internal Transfers (Between 3XX Funds)
ABGC	DOHE Exempt Institutional Internal Transfers
ABGF	AHEC Constituents Long Bill Transfers (Fund 310 by GMA only)
ABGH	AHEC Constituents Non-Long Bill Transfers (Fund 311 by GMA, GFD, GHD or GJD only)
EBDG	DOE/CVA Transfers to CCC (GJA Fund 310 only)
EBEE	Transfers from Governor's Job Training (Fund 310 by GJA only)
EBGA	DOHE Exempt Internal Transfers (Between 3XX Funds and any other fund)
EBGD	DOHE State Appropriation – Capital
EBPP	DONR/Land Board Transfers to DOHE (Fund 350 by GFA, GGB, GGH only)
EBWJ	Transfers from Tobacco Settlement (GFA only)
ELGB	Student Financial Aid Transfers from CCHE (Fund 330 only)
EQGB	DOHE State Appropriation – Operating (Fund 310 only)

#### Other Specific EXEMPT Revenues

4804	Activity Fees (Fund 320-326 only)
4608	Patient Revenue
5003	Exempt Student Activity Fees
5051	Scholarship Allowance – Exempt Tuition & Fees (contra-revenue account)
5209	Credit Card Fees Exempt (contra-account to any exempt revenue code)

**D.2 REVENUE SOURCE CODE GROUPINGS BY EXEMPT/NONEXEMPT, Page Two**

**EXEMPT REVENUE SOURCE CODES (continued):**

Other Specific EXEMPT Revenues (continued)

5304	Sale of Surplus Equipment
5311	Inter/Intra Agency Sales
5400	Exempt Higher Educ Auxiliary Sales & Service
5401	Exempt Higher Educ Self-Funded Sales & Service
5451	Scholarship Allowance – Exempt Auxiliary Sales/Service (contra-revenue account)
5850	Damage Awards - Court Ordered
5860	Damage Awards - Insurance Recoveries
5870	Damage Awards - Other Awards
5903	Interest Income - Exempt
5904	Higher Education Loan Interest - Exempt
6001	Exempt Investment Gain/Loss
6100	Royalties
6410	Exempt Rental Income – Non-Operating
6421	Exempt Rental Income - Operating
6501	Gain on Disposal of Fixed Asset
8301	Exempt Miscellaneous Revenues– Operating
8303	Reimbursement for Prior Year Expenses
8304	Reversion of Expired (COFRS) Warrants
8311	Exempt Miscellaneous Revenues – Non-Operating

**NONEXEMPT REVENUE SOURCE CODES:**

Health Services:

4605	Patient Revenue (Fund 310 only by UC-HSCTR only)
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Education Service:

4801	Resident Tuition-Graduate
4802	Resident Tuition-Undergraduate
4803	Resident Tuition-Other
4805	Tuition - Nonexempt Continuing Education (Fund 329 only by FLC only)
4901	Nonresident Tuition-Graduate
4902	Nonresident Tuition-Undergraduate
4903	Nonresident Tuition-Other
5001	Sales & Services of Educ Activities
5002	Instructional Fees
5005	Conference Fees
5007	Nonexempt Student Activity Fees (Fund 329 only)
5050	Scholarship Allowance – Non-exempt Tuition & Fees (contra-revenue account)
5402	Nonexempt Higher Educ Auxiliary & Self/Funded Sales & Services (Fund 329 only)
5450	Scholarship Allowance – Non-exempt Auxiliary Sales/Service (contra-revenue account)

Other Services:

5200	Other Charges for Services
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**D.2 REVENUE SOURCE CODE GROUPINGS BY EXEMPT/NONEXEMPT, Page Three**

**NONEXEMPT REVENUE SOURCE CODES (continued):**

Sale of Products:

5302 Sale of Agricultural Products (Fund 310 by FRCC only)

Interest Income:

5900 Interest Income

5905 Higher Education Loan Interest - Nonexempt

Investment Gain/Loss:

6000 Gain/Loss on Investments

Rents:

6400 Rental Income – Non-Operating

6420 Rental Income – Operating

Donations from Public Sources:

6700 Donations from Public Sources

Grants/Contracts – Local:

7624 State Government Contract from an Enterprise

7700 Local Grant/Contract - Operating

7730 Local Grants/Contracts - Capital

7750 Non-Colorado State Grant/Contract - Other

7770 Non-Colorado State Grant/Contract - Capital

Other Governmental Revenue:

8200 Other Intergovernmental Revenue - Nonexempt

8202 WICHE Capital Outlay (Fund 310 only by CSU only)

Miscellaneous Revenue:

4100 Other Taxes (Fund 310 by CSU only)

5208 Credit Card Fees Nonexempt (contra-account to any nonexempt revenue code)

8300 Miscellaneous Revenue– Operating

8310 Miscellaneous Revenues – Non-Operating

Nonexempt Transfer Revenue:

AAGB DOHE Institution Non-exempt Internal Transfers

ERWB DOHE/Controlled Maintenance Trust Fund Transfers to DOHE (Fund 461 only)

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**D.3 REVENUE SOURCE CODE DEFINITIONS, Page One**

Nonexempt	4100	<u>Other Taxes:</u> <b>TO BE USED IN FUND 310 BY CSU ONLY:</b> Revenue received from the Department of Revenue for taxes designated to support Professional Veterinary Medicine.
Nonexempt	4605	<u>Patient Revenue - NONEXEMPT:</u> <b>TO BE USED IN FUND 310 BY UC-HEALTH SCIENCES CENTER ONLY:</b> Revenue received from patient charges-for service activities not designated as TABOR enterprises at the Health Sciences Center.
Exempt	4608	<u>Patient Revenue - Exempt:</u> <b>TO BE USED IN FUND 320 BY UC-HEALTH SCIENCES CENTER ONLY:</b> Revenue received from patient charges at designated TABOR enterprise patient-service activities at the Health Sciences Center.
Nonexempt	4801	<u>Resident Tuition - Graduate:</u> Revenue received for tuition charged to resident graduate students.
Nonexempt	4802	<u>Resident Tuition - Undergraduate:</u> Revenue received for tuition charged to resident undergraduate students.
Nonexempt	4803	<u>Resident Tuition - Other:</u> Revenue received for tuition charged to resident students in other than graduate and/or undergraduate programs.
Exempt	4804	<u>Tuition - Exempt Continuing Education:</u> <b>TO BE USED IN FUND 320 ONLY:</b> Revenue received for tuition charged to Continuing Education students.
Nonexempt	4805	<u>Tuition - Nonexempt Continuing Education:</u> <b>TO BE USED IN FUND 329 BY FLC ONLY:</b> Revenue received for tuition charged to Continuing Education students.
Nonexempt	4901	<u>Nonresident Tuition - Graduate:</u> Revenue received for tuition charged to nonresident graduate students.
Nonexempt	4902	<u>Nonresident Tuition - Undergraduate:</u> Revenue received for tuition charged to nonresident undergraduate students.
Nonexempt	4903	<u>Nonresident Tuition - Other:</u> Revenue received for tuition charged to nonresident students in other than graduate and/or undergraduate programs.
Nonexempt	5001	<u>Sales &amp; Services of Educ Activities:</u> Revenue received for activities that are related incidentally to the conduct of instruction, research, and public service and for activities that exist to provide instructional and laboratory experience for students and that incidentally create goods and services that may be sold to students, faculty, staff, and/or the general public.
Nonexempt	5002	<u>Instructional Fees:</u> Revenue received from those mandatory fees charged to students where the fee is directly related to specific instructional programs per Accounting Standard Number 2, 4/3/89.

**D.3 REVENUE SOURCE CODE DEFINITIONS, Page Two**

Exempt	5003	<u>Exempt Student Activity Fees:</u> Revenue received for those mandatory fees charged to the student body in general as a result of their attending the institution per Accounting Standard Number 2, 4/3/89 and used to support EXEMPT activity and/or facilities.
Nonexempt	5005	<u>Conference Fees:</u> Revenue received as a flat charge for using institutional resources as a conference site. Does not include revenue received for rental of equipment and/or facilities for other than conference activities, see Revenues Source Codes 6200, 6300, or 6400.
Nonexempt	5007	<u>Nonexempt Student Activity Fees:</u> <b>TO BE USED IN FUND 329 ONLY:</b> Revenue received for those mandatory fees charged to the student body in general as a result of their attending the institution per Accounting Standard Number 2, 4/3/89 and used to support NONEXEMPT activity and/or facilities.
N/A	5030	<u>Pledged Tuition &amp; Fees:</u> <b>TO BE USED IN FUND 399 ONLY:</b> All tuition & Fee revenue, regardless of status for TABOR purposes, pledged to debt that must be identified as such on the financial statements per GASB #34/35.
Nonexempt	5050	<u>Scholarship Allowance – Tuition &amp; Fees – Nonexempt:</u> <b>TO BE USED IN FUND 399 ONLY:</b> contra-revenue account used to record the nonexempt portion of the calculated scholarship allowance against nonexempt tuition and fees revenue.
Exempt	5051	<u>Scholarship Allowance – Tuition &amp; Fees – Exempt:</u> <b>TO BE USED IN FUND 399 ONLY:</b> contra-revenue account used to record the exempt portion of the calculated scholarship allowance against exempt tuition and fees revenue.
Nonexempt	5200	<u>Other Charges for Services:</u> Non-fee revenue received from students for charges incidental to the teaching mission, including charge-for-services revenue, charges related to the Registrar function, and penalty charges per Accounting Standard Number 2, 4/3/89.
Nonexempt	5208	<u>Credit Card Fees Nonexempt:</u> Contra-revenue account to be used when an agency receives payment for credit card charges from the bank net of bankcard fees and is required to record those fees as a debit to revenue. May be used as contra to any other nonexempt revenue code.
Exempt	5209	<u>Credit Card Fees Exempt:</u> Contra-revenue account to be used when an agency receives payment for credit card charges from the bank net of bankcard fees and is required to record those fees as a debit to revenue. May be used as contra to any other exempt revenue code.
Nonexempt	5302	<u>Sale of Agricultural Products:</u> <b>TO BE USED IN FUND 310 BY FRCC ONLY:</b> Revenue received from the Cooperative Extension Service, the Agriculture Experiment Station, and FRCC's Larimer Campus.
Exempt	5304	<u>Sale of Surplus Equipment:</u> Revenue received for the sale of surplus property.

**D.3 REVENUE SOURCE CODE DEFINITIONS, Page Three**

Exempt	5311	<u>Inter/Intra Agency Sales:</u> Internal service unit revenue received from another state agency.
Exempt	5400	<u>Exempt Higher Ed Auxiliary Sales &amp; Services:</u> Revenue received directly from the operations of <u>auxiliary enterprises</u> that are certified and legislated to be EXEMPT. No Continuing Education revenues should be charged to this Revenue Source Code.
Exempt	5401	<u>Exempt Higher Ed Self-Funded Sales &amp; Services:</u> Revenue received directly from the operations of <u>self-funded activities</u> which are certified and legislated to be EXEMPT, <u>except for revenue received for Continuing Education tuition</u> which are to be charged to Revenue Source Code 4804.
Exempt	5850	<u>Damage Awards - Court Ordered:</u> Revenues received as damage deposits through court ordered settlements.
Nonexempt	5402	<u>Nonexempt Higher Ed Auxiliary/Self-Funded Sales &amp; Services:</u> <b>TO BE USED IN FUND 329 ONLY:</b> Revenue received directly from the operations of <u>auxiliary and self/funded activities</u> which are NOT certified and legislated to be exempt.
Nonexempt	5450	<u>Scholarship Allowance – Auxiliary Sales/Service - Nonexempt:</u> <b>TO BE USED IN FUND 399 ONLY:</b> contra- revenue account used to record the nonexempt portion of the calculated scholarship allowance against nonexempt auxiliary sales and service revenue.
Exempt	5451	<u>Scholarship Allowance – Auxiliary Sales/Service - Exempt:</u> <b>TO BE USED IN FUND 399 ONLY:</b> contra-revenue account used to record the exempt portion of the calculated scholarship allowance against exempt auxiliary sales and service revenue.
N/A	5470	<u>Pledged Auxiliary Revenues:</u> <b>TO BE USED IN FUND 399 ONLY:</b> All Auxiliary and Self-Funded revenue, regardless of status for TABOR purposes, pledged to debt that must be identified as such on the financial statements per GASB #34/35.
Exempt	5860	<u>Damage Awards - Insurance Recoveries:</u> Revenues received as damage deposits through insurance recoveries.
Exempt	5870	<u>Damage Awards - Other Awards:</u> Revenues received as damage deposits other than for court ordered settlements or insurance recoveries.
Nonexempt	5900	<u>Interest Income:</u> Revenue received from interest earned on nonfederal and non-private funds held by the institution.
Exempt	5901	<u>Federal Equity Interest:</u> Revenue received from the federal government as a result of the Cash Improvement Act determination of interest to/from Colorado.



**D.3 REVENUE SOURCE CODE DEFINITIONS, Page Four**

Exempt	5903	<u>Interest Income - Exempt:</u> Revenue received from interest earned on exempt funds held by the institution.
Exempt	5904	<u>Higher Education Loan Interest – Exempt:</u> Revenue received from interest earned on the exempt loan activity of the institution.
Nonexempt	5905	<u>Higher Education Loan Interest – Nonexempt:</u> Revenue received from interest earned on the non-exempt loan activity of the institution.
N/A	5930	<u>Non-Operating Pledged Investment Income:</u> <b>TO BE USED IN FUND 399 ONLY:</b> All investment income pledged to debt that must be identified as such on the financial statements per GASB #34/35.
Nonexempt	6000	<u>Gain/Loss on Investments:</u> Revenue received from the disposition of nonexempt investments held by the institution.
Exempt	6001	<u>Exempt Investment Gain/Loss:</u> Revenue received from the disposition of exempt investments held by the institution.
Exempt	6100	<u>Royalties:</u> Revenue received for royalties.
Nonexempt	6400	<u>Nonexempt Rental Income – Non-Operating:</u> Revenue received for rental of equipment and/or facilities and that is classified as non-operating revenue on the financial statements per GASB #34/35. Does not include revenue received as a flat charge for using institutional resources as a conference site, see Revenue Source Code 5005.
Exempt	6410	<u>Exempt Rental Income – Non-Operating:</u> Revenue received for rental of equipment and/or facilities belonging to a designated enterprise and that is classified as non-operating revenue on the financial statements per GASB #34/35.
Nonexempt	6420	<u>Nonexempt Exempt Rental Income – Operating:</u> Revenue received for rental of equipment and/or facilities and that is classified as operating revenue on the financial statements per GASB #34/35. Does not include revenue received as a flat charge for using institutional resources as a conference site, see Revenue Source Code 5005.
Exempt	6421	<u>Exempt Rental Income– Operating:</u> Revenue received for rental of equipment and/or facilities belonging to a designated enterprise and that is classified as operating revenue on the financial statements per GASB #34/35.
Exempt	6501	<u>Gain on Disposal of Fixed Asset:</u> Funds received at disposal of a fixed asset above the depreciated value of the disposed asset.
Exempt	6600	<u>Donations - Private - Restricted:</u> Revenue received as restricted gifts from private sources.

### D.3 REVENUE SOURCE CODE DEFINITIONS, Page Five

Exempt	6601	<u>Donations - Private - Unrestricted:</u> Revenue received as unrestricted gifts from private sources.
Exempt	6603	<u>Donations - Private – Cash for Capital Assets:</u> Cash gifts received from private sources that are restricted for capital purposes.
Exempt	6609	<u>Donations – Capital Asset - Land:</u> Land received as a gift and valued at an amount over the capitalization threshold.
Exempt	6610	<u>Donations – Capital Asset – Land Improvements:</u> Land improvements received as a gift and valued at an amount over the capitalization threshold.
Exempt	6612	<u>Donations – Capital Asset – Buildings:</u> Buildings received as a gift and valued at an amount over the capitalization threshold.
Exempt	6614	<u>Donations – Capital Asset – Equipment:</u> Equipment received as a gift and valued at an amount over the capitalization threshold.
Exempt	6615	<u>Donations – Capital Asset – Library Holdings:</u> Library holdings received as a gift and valued at an amount over the capitalization threshold.
Exempt	6617	<u>Donations – Capital Asset – Art &amp; Historical Holdings:</u> Art and historical holdings received as a gift and valued at an amount over the capitalization threshold.
Nonexempt	6700	<u>Donations from Public Sources:</u> Revenue received as restricted and/or unrestricted gifts from public sources.
Exempt	7400	<u>Fed Grant/Contract - FedDirect - Operating:</u> Revenue received directly from the federal government for primarily operating grant and/or contract agreements with the institution.
Exempt	7430	<u>Fed Grant/Contract - FedDirect - Capital:</u> Revenue received directly from the federal government for primarily capital grant and/or contract agreements with the institution.
N/A	7450	<u>Pledged Federal Grants &amp; Contracts:</u> <b>TO BE USED IN FUND 399 ONLY:</b> All federal revenue pledged to debt that must be identified as such on the financial statements per GASB #34/35.
Exempt	7500	<u>Fed Grant/Contract - Subrecip – Operating:</u> Revenue received indirectly from the federal government for primarily operating grant and/or contract agreements with the institution. The entity from which the federal funds are passed may be a State, local, or private entity.
Exempt	7530	<u>Fed Grant/Contract - Subrecip - Capital:</u> Revenue received indirectly from the federal government for primarily capital grant and/or contract agreements with the institution. The entity from which the federal funds are passed may be a State, local, or private entity.

**D.3 REVENUE SOURCE CODE DEFINITIONS, Page Six**

Exempt	7600	<u>State Govt Grant/Contract –Operating:</u> Revenue received from another <u>State of Colorado</u> agency for primarily operating purposes when the original source of funds is state and not federal funds.
Nonexempt	7624	<u>State Government Contract from an Enterprise:</u> Revenue received for primarily operating purposes from an entity designated as an enterprise by another <u>State of Colorado</u> agency or by Colorado statute.
Exempt	7630	<u>State Govt Grant/Contract - Capital:</u> Revenue received from another <u>State of Colorado</u> agency for primarily capital purposes when the original source of funds is state and not federal funds.
Nonexempt	7700	<u>Local Grant/Contract - Operating:</u> Revenue received from a <u>State of Colorado</u> local entity (cities, counties, authorities, school districts, or special districts) for primarily operating grant and/or contract agreements with the institution.
Nonexempt	7730	<u>Local Grant/Contract - Capital:</u> Revenue received from a <u>State of Colorado</u> local entity (cities, counties, authorities, school districts, or special districts) for primarily capital grant and/or contract agreements with the institution.
Nonexempt	7750	<u>Non-Colorado State Grant/Contract – Other:</u> Revenue received from another state for primarily operating purposes when the original source of funds is state and not federal or private funds.
Nonexempt	7770	<u>Non-Colorado State Grant/Contract – Capital:</u> Revenue received from another state for primarily capital purposes when the original source of funds is state and not federal or private funds.
Exempt	7800	<u>Private Grant/Contract - Operating:</u> Revenue received from private sources for primarily operating grant and/or contract agreements with the institution no matter the original source of funds. This includes revenue received from any nonfederal public entity outside Colorado, i.e. non-Colorado state agencies, local entities, and/or colleges and universities.
Exempt	7830	<u>Private Grant/Contract -Other - Capital:</u> Revenue received from private sources for primarily capital grant and/or contract agreements with the institution no matter the original source of funds. This includes revenue received from any nonfederal public entity outside Colorado, i.e. non-Colorado state agencies, local entities, and/or colleges and universities.
Exempt	7901	<u>Fed Govt/Nongrant/Federal Appropriation:</u> <b>TO BE USED IN FUND 311 ONLY:</b> Revenue received from the federal government as a direct appropriation to the institution.
Exempt	7902	<u>Fed Govt/Nongrant/Other:</u> <b>TO BE USED IN FUND 311 ONLY OR IN FUND 320 BY CSU ONLY:</b> Revenues received from federal sources for other than a grant or contract or as appropriated funds.

**D.3 REVENUE SOURCE CODE DEFINITIONS, Page Seven**

Nonexempt	8200	<u>Other Intergovernmental Revenue - Nonexempt:</u> Revenue received from nonexempt sources for other than a grant or contract or as other than a direct appropriation to the institution.
Nonexempt	8202	<u>WICHE Capital Outlay:</u> <b>TO BE USED IN FUND 310 BY CSU ONLY:</b> Revenue received from the Colorado Commission on Higher Education for WICHE capital outlay funding from the State of Colorado.
Nonexempt	8300	<u>Miscellaneous Revenues- Operating:</u> Revenue received from an activity classified as operating on the SRECNA which is immaterial and cannot be accurately classified into any other Revenue Source Code, including late penalty and/or collection charges for institutional loan programs and non-interest revenue on nonexempt construction projects.
Exempt	8301	<u>Exempt Miscellaneous Revenues - Operating:</u> Revenue received by a designated enterprise, classified as operating on the SRECNA, which is immaterial and cannot be accurately classified into any other Revenue Source Code.
Exempt	8303	<u>Reimbursement for Prior Year Expenses:</u> Refunds received for expenditures made in a prior fiscal year.
Exempt	8304	<u>Revision of Expired (COFRS) Warrants:</u> Offset account for recording reversion of warrants issued by the COFRS which are generally limited to those issued by the Community College System and by institutions using COFRS to record fund 461 activity.
Nonexempt	8310	<u>Miscellaneous Revenues– Non-Operating:</u> Revenue received from an activity classified as non-operating on the SRECNA which is immaterial and cannot be accurately classified into any other Revenue Source Code, including late penalty and/or collection charges for institutional loan programs and non-interest revenue on nonexempt construction projects.
Exempt	8311	<u>Exempt Miscellaneous Revenues – Non-Operating:</u> Revenue received by a designated enterprise, classified as Non-Operating on the SRECNA , which is immaterial and cannot be accurately classified into any other Revenue Source Code.
N/A	8330	<u>Pledged Other Revenues:</u> <b>TO BE USED IN FUND 399 ONLY:</b> All revenue, regardless of status for TABOR purposes, pledged to debt - except Tuition and Fee Revenues (see Code 5030), Auxiliary Revenues (see Code 5470), and Federal Revenues (see Code 7450) - that must be identified as such on the financial statements per GASB #34/35.
Nonexempt	AAGB	<u>Nonexempt Department of Higher Education Institutional Internal Transfers (previously code 9401):</u> Nonexempt transfer revenue received from another fund within the same institution.

D.3 REVENUE SOURCE CODE DEFINITIONS, Page Eight

Exempt	ABGA	<u>Exempt Department of Higher Education Internal Transfers (previously code 9400): TO BE USED FOR INTERNAL TRANSFERS BETWEEN 3XX FUNDS:</u> Exempt transfer revenue received from another entity in the Department of Higher Education and from a 3XX Higher Education discrete fund.
Exempt	ABGF	<u>Exempt AHEC Constituents Long Bill Transfers:</u> <b>TO BE USED IN FUND 310 BY GMA ONLY:</b> Transfer revenue received by the Auraria Higher Education Center from its constituent institutions per the Long Bill.
Exempt	ABGH	<u>Exempt AHEC Constituents Non-Long Bill Transfers:</u> <b>TO BE USED IN FUND 311 BY GMA, GFD, GHD or GJD ONLY:</b> Transfer revenue received by the Auraria Higher Education Center, the University of Colorado at Denver, the Community College of Denver or Metropolitan State College of Denver from any of these entities in accordance with agreements between them separate from the Long Bill appropriation.
Exempt	ABGC	<u>Exempt Department of Higher Education Institutional Internal Transfers (previously code 9400):</u> Exempt transfer revenue received from another fund within the same institution.
Exempt	EBDG	<u>Exempt Department of Education transfers to Colorado Community Colleges:</u> <b>TO BE USED IN FUND 310 BY GJA ONLY:</b> Exempt transfer revenue received from the Colorado Department of Education by the Colorado Community Colleges for Colorado Vocational Act Programs.
Exempt	EBEE	<u>Exempt transfers from the Governor's Job Training Program:</u> <b>TO BE USED IN FUND 310 BY GJA ONLY:</b> Exempt transfer revenue received from the Governor's Job Training Program by the Colorado Community Colleges.
Exempt	EBGA	<u>DOHE Exempt Internal Transfers (previously code 9400): TO BE USED FOR INTERNAL TRANSFERS BETWEEN 3XX FUNDS AND ANY OTHER FUNDS:</u> Exempt transfer revenue received from another entity in the Department of Higher Education and from <u>other than</u> a Higher Education 3XX discrete fund.
Exempt	EBGD	<u>Exempt Department of Higher Education Appropriation – Capital (previously code 8509):</u> Exempt transfer revenue received from the State of Colorado for capital purposes.
Exempt	EBPP	<u>Exempt Department of Natural Resources/Land Board to Department of Higher Education:</u> <b>TO BE USED IN FUND 350 BY GFX, GGB or GGH ONLY:</b> Exempt transfer revenue received from the State of Colorado Department of Natural Resources Land Board by the University of Colorado, Colorado State University or Fort Lewis College.

**D.3 REVENUE SOURCE CODE DEFINITIONS, Page Nine**

Exempt	EBWJ	<u>Exempt Transfers from Tobacco Settlement:</u> <b>TO BE USED BY GFA ONLY:</b> transfer revenue received from the State of Colorado Tobacco Settlement fund by the University of Colorado.
Exempt	ELGB	<u>Exempt Student Financial Aid Transfers from CCHE (previously code 8506):</u> <b>TO BE USED IN FUND 330 ONLY:</b> Exempt transfer revenue received from the Colorado Commission on Higher Education for state-funded student financial aid programs.
Nonexempt	ERWB	<u>Nonexempt Controlled Maintenance Trust Fund Transfers to the Department of Higher Education (previously code 8725):</u> <b>TO BE USED IN FUND 461 ONLY:</b> Nonexempt transfer revenue received from the State of Colorado Controlled Maintenance Trust Fund for capital purposes.
Exempt	EQGB	<u>Exempt Department of Higher Education Appropriation – Operating (previously code 8509):</u> Exempt transfer revenue received from the State of Colorado for operating purposes.

**D.5 KEY TO ROLL UP CODING FOR NONAPPROPRIATED EXEMPT FUNDS, Page One**

GOVERNING BOARDS & GROUP & INSTITUTIONS/AGENCY ACCUM.	For State Student Financial Aid received as exempt transfer revenue from CCHE in Fund 330.			For all other exempt revenue in all other exempt Funds.		For all exempt revenue in all exempt Funds.
	LONG BILL LINE	FUNDING		LONG BILL LINE	FUNDING	
	ITEM	SOURCE		ITEM	SOURCE	
UC - Regents	GFA	GFA30	301	GFA11	101	G1F
UC - Boulder	GFB	GFB30	302	GFB11	102	G1F
UC - Colo Sprgs	GFC	GFC30	303	GFC11	103	G1F
UC - Denver	GFD	GFD30	304	GFD11	104	G1F
UC - H S Ctr	GFE	GFE30	305	GFE11	105	G1F
SBA	GGA	GGA30	315	GGA11	115	G1G
CSU	GGB	GGB30	316	GGB11	116	G1G
USC	GGJ	GGJ30	323	GGJ11	123	G1G
State Cllgs Brd	*GHA	GHA30	335	GHA11	135	G1H
Adams State	*GHB	GHB30	336	GHB11	136	G1H
Mesa State	*GHC	GHC30	337	GHC11	137	G1H
Western State	*GHE	GHE30	339	GHE11	139	G1H
Western Grad Ctr	*GHF			GHF11	140	G1H
	*eliminate July 1, 2003					
CCCOES	GJA	GJA30	350	GJA27	250	G2J
Arapahoe CommC	GJB	GJB30	351	GJB27	251	G2J
Comm C of Aurora	GJC	GJC30	352	GJC27	252	G2J
Comm C of Denver	GJD	GJD30	353	GJD27	253	G2J
Front Range CC	GJE	GJE30	354	GJE27	254	G2J
Lamar Comm CGJF	GJF	GJF30	355	GJF27	255	G2J
Morgan Comm C	GJG	GJG30	356	GJG27	256	G2J
Otero Jr Coll	GJH	GJH30	357	GJH27	257	G2J
Pikes Peak C C	GJJ	GJJ30	358	GJJ27	258	G2J
Pueblo Comm C	GJK	GJK30	359	GJK27	259	G2J
Red Rocks Comm C	GJL	GJL30	360	GJL27	260	G2J
Trinidad S Jr C	GJM	GJM30	361	GJM27	261	G2J
Lowry HEAT	GJP			GJP27	262	G2J
Northeastern Jr. Coll	GJR	GJR30	363	GJR27	263	G2J
Colo NW Comm C	GJT	GJT30	364	GJT27	264	G2J

**D.5 KEY TO ROLL UP CODING FOR NONAPPROPRIATED EXEMPT FUNDS, Page Two**

GOVERNING BOARDS & INSTITUTIONS/AGENCY	For State Student Financial Aid received as exempt transfer revenue from CCHE <u>in Fund 330.</u>			For all other exempt revenue in all other <u>exempt Funds.</u>		For all exempt revenue in all exempt <u>Funds.</u>
	LONG BILL LINE ITEM	FUNDING SOURCE		LONG BILL LINE ITEM	FUNDING SOURCE	GROUP & ACCUM.
UNC	GKA GKA30	375		GKA27	275	G2K
School of Mines	GLA GLA30	380		GLA27	280	G2L
AHEC	GMA			GMA27	285	G2M
FLC	GSA GSA30	390		GSA11	290	G2S
MSCD	GTA GTA30	395		GTA11	295	G2T
Effective July 1, 2003						
ASC	GYA GYA30	336		GYA11	136	G1Y/G3Y
MSC	GZA GZA30	337		GZA11	137	G1Z/G3Z
WSC	GWA GWA30	339		GWA11	139	G1W/G3W



## **E.1 ALLOCATION OF EXPENDITURES**

The discussion and information presented thus far has focused on revenues because that is the focus of the constitutional and statutory changes which have resulted from the passage of the TABOR Amendment. The annual state fiscal spending limit is established, measured, and controlled via revenues. Therefore, Higher Education has changed the way it accounts for those revenues. Generally, the direction those changes needed to take followed the clearly identifiable separation of exempt and nonexempt revenues.

However, in the Current Unrestricted Fund, these revenues are fungible. We may be able to clearly identify a dollar of revenue taken in the door as exempt or nonexempt but we cannot similarly identify the expenditure it will ultimately fund because there is no link between the two. But our new fund structure demands that we record these inseparable expenditures into separate exempt and nonexempt funds. This is not a uniquely Higher Education problem but our discreet fund structure does complicate it.

When we make a current unrestricted expenditure, we must now decide whether to record that expenditure on COFRS in the Nonexempt Fund 310 or the Exempt Fund 311. But, again, our systems make no linkages between a revenue dollar taken and a dollar expended. Therefore, in the Current Unrestricted Funds, expenditures may be arbitrarily allocated between the Nonexempt Fund 310 and the Exempt Fund 311.

In those funds where the separation of exempt from nonexempt is functional, i.e. auxiliary and self/funded, or project based, i.e. restricted, expenditures will be linked to the revenue source and will be appropriately recorded.

## **F. ACCOUNTING STANDARDS**

The body of Higher Education Accounting Standards set accounting and financial reporting policy for Higher Education institutions' and Governing Boards' use in the Higher Education Discrete Funds. Several of these policies specifically address usages and/or provide examples that required changes to bring them into line with the changes presented and direction given in this Guidebook. The TABOR-related rewrite of those Accounting Standards was completed in the fall of 1996.

The Higher Education Accounting Standards were reviewed in total to bring them into accordance with the new financial reporting requirements of GASB Statement Nos. 34 and 35. These TABOR Guidelines have been revised as necessary to reflect these changes to the Accounting Standards.

**G. RELATED COFRS REPORTS**

COFRS does not generate any TABOR-specific reports. However, because of our Higher Education discrete fund structure and the mutually exclusive labeling of each COFRS Revenue Source Code as exempt or nonexempt, it is possible to clearly determine the accuracy of TABOR reporting per these Guidelines. The COFRS BDA12 Agency Budget Status Report is the most effective and efficient tool for this task.